(d) if so, the details thereof; and

(e) the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) As per the extant instructions of Reserve Bank of India (RBI) all commercial banks are required to report to RBI all actual or suspected frauds of Rs. 1 lakh and above with full details as soon as such frauds come to their notice but within three weeks of their detection in the prescribed format.

RBI has also advised banks to transfer maximum amount of gains realised on sale of investment in securities to the Investment Fluctuation Reserve (IFR) to guard against any possible reversal of interest rate environment in future due to unexpected developments and to safeguard against price fluctuation. banks were also advised to achieve IFR of a minimum of 5% of their portfolio with a period fo 5 years.

(c) to (e) N.L. Mitra Committee has not made any specific recommendation in this regard.

Downgrading of Indian guarantee rating

1385. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Standard and Poor has downgraded the Indian guarantee rating from "investment grade" to "junk grade"; and

(b) if so, what impact it would have on the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) In September, 2002 one of the international credit rating agencies Standard and Poor's Rating Service (S&P) revised their local currency sovereign credit ratings on India to 'BB+' from 'BBB-' for the long term and to 'B' from 'A-3' for the short-term. At the same time, the agency affirmed its double 'B' long-term and single-B' short-term foreign currency sovereign credit ratings.

(b) Government is confident of the robustness of the economy. S &P's ratings will not affect the economy or Government of India's resource mobilization. Government's view is based on factors which,

inter-alia, include declining average cost of market borrowings, better industrial and export performance, higher gross tax receipts, and record level of foreign exchange reserves during the period of April-July of the financial year 2002-03. A press release to this effect was issued by the Government on 20th September, 2002.

Per capita Debt

1386. SHRI C.O. POULOSE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the per capita debt (both internal and foreign) of the country during the last three years;

(b) whether Government have noticed any slow down in economy during these years; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) The per capita debt outstanding during the last three years are as follows:

Per Capita Debt-Outstanding as at end March

(Rs.)

	Internal Debt	External Debt
1999-2000	7135	4281
2000-01	7887	4564
2001-02	8766	4618

(b) and (c) India's real gross domestic product (GDP) growth is estimated at 5.4 per cent In 2001-02 as per the revised estimates released by CSO in June 2002, compared with 6.1 per cent in 1999-2000 and 4.0 per cent in 2000-01 (Quick Estimates).

Subsidy on postal services

1387. SHRI PRASANTA CHATTERJEE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are considering to review subsidy on postal services; and